

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Financial Position

As of September 30, 2020 and December 31, 2019

(In thousands of US dollars)

Assets	September 2020	December 2019
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 15,210	\$ 17,500
Due from related parties	24,958	19,182
Other accounts receivable	4,027	6,012
Prepaid expenses, net	38	491
Total current assets	<u>44,233</u>	<u>43,185</u>
Non-current assets:		
Jack ups and equipment, net	414,509	439,289
Deferred income taxes	18,370	23,623
Total non-current assets	<u>432,879</u>	<u>462,912</u>
Total assets	<u>\$ 477,112</u>	<u>\$ 506,097</u>
Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 53,367	\$ 54,542
Trade accounts payable	-	5
Due to related parties	12	12
Other accounts payable and accrued liabilities	8,468	9,451
Interest payable	7,006	7,251
Total current liabilities	<u>68,853</u>	<u>71,261</u>
Non-current liabilities:		
Long-term debt	285,329	295,691
Deferred income taxes	518	-
Total non-current liabilities	<u>285,847</u>	<u>295,691</u>
Total liabilities	<u>354,700</u>	<u>366,952</u>
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	(105,315)	(88,582)
Total stockholders' equity	<u>122,412</u>	<u>139,145</u>
Total stockholders' equity and liabilities	<u>\$ 477,112</u>	<u>\$ 506,097</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Operations

For the nine months ended September 30, 2020 and for the year end December 31, 2019

(In thousands of US dollars)

	September 2020 Unaudited	December 2019 Audited
Continuing operations:		
Operating lease revenues	\$ 43,960	\$ 56,547
Operating cost	316	1,450
Depreciation of assets under operating leases	<u>29,747</u>	<u>43,683</u>
Gross profit	13,897	11,414
Other expenses	(15)	(4)
Interest expenses, net	25,103	31,971
Exchange (gain) loss, net	<u>(230)</u>	<u>105</u>
Loss before income taxes	(10,961)	(20,658)
Deferred income tax	<u>5,772</u>	<u>(9,837)</u>
Consolidated net loss	<u>\$ (16,733)</u>	<u>\$ (10,822)</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2020 and for the year end December 31, 2019

(In thousands of US dollars)

	September 2020	December 2019
	Unaudited	Audited
Cash flows from operating activities		
Consolidated net loss	\$ (16,733)	\$ (10,822)
Adjustments for:		
Deferred income tax benefit	5,771	(9,837)
Depreciation	29,747	43,683
Amortization of bond issuance costs	773	(872)
Interest income	(1,156)	(1,786)
Exchange loss	(230)	105
Interest expenses	25,486	34,630
	<u>43,658</u>	<u>55,101</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(5,572)	(3,872)
Other accounts receivable	1,985	1,156
Prepaid expenses	453	1,883
Increase (decrease) in:		
Trade accounts payable	(5)	(2,450)
Due to related parties	(0)	(129)
Other accounts payable and accrued liabilities	(754)	(1,328)
Net cash flows by operating activities	<u>39,765</u>	<u>50,361</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(4,967)	(14,491)
Net cash flows by investing activities	<u>(4,967)</u>	<u>(14,491)</u>
Cash flows from financing activities:		
Payments of long term-debt	(11,417)	(2,842)
Bonds issuance costs	(893)	(912)
Interest paid	(24,778)	(37,328)
Net cash flows in financing activities	<u>(37,088)</u>	<u>(41,082)</u>
Net change in cash and restricted cash	(2,290)	(5,212)
Cash and restricted cash at the beginning of the year	17,500	22,712
Cash and restricted cash at end of the year	<u>\$ 15,210</u>	<u>\$ 17,500</u>